Press release

**Koenig & Bauer meets its own forecast for 2023 and expects stable business in 2024**

* Preliminary figures: revenue of €1,326.8m, EBIT of €29.9m
* Strong order intake for Banknote Solutions in the Special segment
* Dr Pleßke announces “Spotlight” programme to focus the Group on growth- and earnings-oriented business models and technologies
* In addition to his role as CFO, Dr Kimmich will assume responsibility for the Special segment
* Outlook for 2024: Operative EBIT margin and revenue stable at the previous year’s level
* Future dividend policy with a payout ratio of 15-35% resolved with a target minimum dividend of €0.3 per share per year in the event of profitable business development

**Würzburg, 28 February 2024 –** Koenig & Bauer AG (“Koenig & Bauer”, WKN: 719350 / ISIN: DE0007193500), a leading global technology provider for special printing applications with a particular focus on the packaging sector, has announced that, on the basis of its preliminary and as yet unaudited figures, it has fulfilled its own forecast for 2023.

Despite the ongoing challenging global economic environment, which is additionally being exacerbated by a number of factors such as higher energy, material and personnel costs, Group earnings before interest and taxes (EBIT) reached €29.9m. This places EBIT within the forecast range of €25m to €35m, which was adjusted on 8 November 2023. At €1,326.8m, Group revenue is at the upper end of the guidance of €1,300m. In the previous year, revenue amounted to €1,185.7m and EBIT to €22.0m. Consequently, revenue improved by 11.9% compared to the previous year, while EBIT increased by €7.9m, translating into an increase of 35.9%. The EBIT margin reached 2.3%, compared with 1.9% in the previous year.

The heightened profitability despite the start-up and trailing costs in the Digital & Webfed segment is mainly due to the more efficient handling of inflation-induced additional costs (material, energy and personnel) as well as improved cost management in the third quarter as a result of the absence of any recovery in demand. At the same time, it was possible to largely pass on the higher energy, material and personnel costs, while the temporary increase in the costs of materials subsided again.

In the fourth quarter, Koenig & Bauer was able to remain on the growth trajectory that it had adopted in the first half of 2023, despite a weaker third quarter. In this regard, the final quarter showed its usual strength again, with revenues coming to €435.7m (previous year: €380.0m) and EBIT to €32.0m (previous year: €25.0m). This marked a significant improvement over the same period in the previous year.

Order intake amounted to €1,287.9m at the end of the year, thus falling slightly short of the previous year’s historically high figure of €1,329.3m, as expected. The book-to-bill ratio stood at 1.0 in the fourth quarter, up from the previous year’s figure of 0.8. As planned, the order backlog contracted from €950.4m to €911.5m at the end of the year as a result of the completed deliveries.

### Segments: strong order intake for Banknote Solutions in the Special segment

Order intake in the **Special segment** increased by 37.1% to €538.8m as of the end of the year (previous year: €392.9m). In the fourth quarter alone, order intake amounted to €268.1m, underpinned by an order in the Banknote Solutions business unit received from the United States Bureau of Engraving and Printing in Washington, D.C. At €413.7m as of 31 December 2023, revenue was slightly down on the previous year’s figure of €417.1m. However, at €23.0m, EBIT almost reached the previous year's level of €23.2m.

At €606.2m, order intake in the **Sheetfed segment** was below the extremely high figure of €813.5m recorded in the previous year following a sequential improvement in the fourth quarter. However, the previous year had been characterised by post-pandemic catch-up effects as well as greater stockpiling by customers and brand owners as a result of supply chain and material bottlenecks. After a strong final quarter, revenue increased by 16.0% to €779.8m (previous year: €672.2m). This performance is also reflected in EBIT, which climbed by 56.8% to €29.8m (previous year: €19.0m), thus further widening its positive contribution to earnings.

At €179.8m, the **Digital & Webfed** segment recorded a 9.9% increase in order intake (previous year: €163.6m). Revenue also climbed by 23.2% year-on-year to €172.3m (previous year: €139.8m), not least due to a successful final quarter. EBIT was impacted by start-up and trailing costs in the second and third quarters in particular in connection with the introduction of the new flexo, corrugated board and digital printing products, particularly in the second and third quarters, and amounted to €-23.9m after twelve months (previous year: €-19.3m).

Dr Stephen Kimmich, CFO, comments: “As we are still operating in an extremely challenging market environment, we have continued on our path aimed at improving operating profit. Nevertheless, we are aware that Koenig & Bauer needs to be more profitable looking forward. Just like our successful customers, we must focus on the value drivers that are spurring our transformation from a printing press manufacturer into a technology company. In addition, we have to address the challenges of a world characterised by rapid and unpredictable change.”

**“Spotlight” on growth drivers and innovations**

With the “2023 Growth Offensive” adopted in 2018, which aimed to proactively exploit the market opportunities arising in digital printing, corrugated board, cardboard packaging and flexible packaging printing in particular, as well as in the postpress sector in the interests of sustainable profitable growth, Koenig & Bauer has significantly driven forward its transformation from a printing press manufacturer to a technology company. The company is thus headed in the right direction, although external and internal factors are resulting in heightened complexity and rising costs. For this reason, the Management Board initiated the “Spotlight” focus programme at the end of 2023.

As CEO Dr Andreas Pleßke, explains, “the old adage that you reap what you sow still applies. We launched the growth initiatives in 2018 with foresight. With this mindset, we have been the market and technology leader in many areas for more than 200 years. And that’s how we want things to stay. We have now almost completed the sowing phase and want to reap the harvest. This will also be aided by the “Spotlight” programme, in which we are prioritising initiatives and business models that boost earnings and financial strength, deprioritising initiatives that do not directly impact earnings and optimising the Group and segment organisation as well as the indirect cost structure to make processes even leaner and more customer-friendly.” Under Pleßke's leadership, the measures will for the most part be identified, implemented and finalised in 2024, although the full-year effect will not be felt until 2025.

### Dr Stephen Kimmich will additionally assume responsibility for the Special segment

In December 2023, CFO Dr Stephen Kimmich, was appointed Deputy Chief Executive Officer in order to additionally contribute to the company’s operating business beyond his role as Chief Financial Officer. As of 1 April 2024, he will assume responsibility on the Management Board for the Special segment, which was previously held by the Chief Executive Officer, Dr Andreas Pleßke. Prof. Dr.-Ing. Raimund Klinkner, Chairman of the Supervisory Board, comments: “In recent years, Dr Kimmich has gained an extremely good reputation both on the capital market and elsewhere. He has already laid important operational foundations for the future by taking responsibility for our M&A strategy. We are convinced that he will now also be able to put his far-sighted operational skills to good use in the Special segment.”

### Outlook for 2024: Operative EBIT margin and revenue stable at the previous year’s level

Koenig & Bauer continues to face a challenging macroeconomic environment in 2024. Even so, the Management Board expects the EBIT margin and revenue to remain stable at the previous year’s level in 2024. Accordingly, it projects operating earnings of between €25m and €40m and revenue of around €1.3bn. However, Group EBIT for 2024 will be burdened by up to €10m as a result of spending on drupa, the world’s largest trade fair for the printing and graphics industry, which will be taking place in Düsseldorf from the end of May until the beginning of June, resulting in Group EBIT of between €15m and €30m after this one-off effect.

The Special and Digital & Webfed segments should make a disproportionately large contribution to both EBIT and revenue. By contrast, the Sheetfed segment is expected to account for a disproportionately small proportion of earnings and revenue in the first half of 2024. In the Sheetfed sector in particular, a wait-and-see attitude ahead of the industry's leading trade fair drupa could lead to a purchasing restraint.

Given the persistently muted economic situation, the company projects an EBIT margin of 6 - 7% in 2026 at the latest, accompanied by Group revenue of €1.5bn. In the medium term, it is looking for revenue of around €1.8bn and an EBIT margin of 8 - 9%.

**Future dividend policy adopted with a payout ratio of 15-35%**

In view of the earnings performance in 2023 and the persistently challenging global economic market environment, the Management Board and the Supervisory Board will be proposing at the annual general meeting that the net profit generated by the holding company Koenig & Bauer AG be retained and that a dividend be omitted for the 2023 financial year. However, as Koenig & Bauer attaches great importance to ensuring an appropriate participation of its shareholders in the company’s success, a future dividend policy has been adopted which, subject to profitable business performance during the year, aims to distribute a dividend of 15 - 35% of consolidated earnings, with a minimum dividend of €0.30 per share.

The company will be publishing its audited financial statements and annual report for 2023 on 27 March 2024. On the same day, Koenig & Bauer will be holding a conference call (in English) for analysts and investors. The conference call will be subsequently available on the website.

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| €m | 2022 | 2023 |
| **Order Intake** |
| Sheetfed | 813.5 | 606.2 |
| Digital & Webfed | 163.6 | 179.8 |
| Special | 392.9 | 538.8 |
| Reconciliation | -40.7 | -36.9 |
| **Total** | **1,329.3** | **1,287.9** |
|  |
| **Revenue** |
| Sheetfed | 672.2 | 779.8 |
| Digital & Webfed | 139.8 | 172.3 |
| Special | 417.1 | 413.7 |
| Reconciliation | -43.4 | -39.0 |
| **Total** | **1,185.7** | **1,326.8** |
|  |
| **EBIT** |
| Sheetfed | 19.0 | 29.8 |
| Digital & Webfed | -19.3 | -23.9 |
| Special | 23.2 | 23.0 |
| Reconciliation | -0.9 | 1.0 |
| **Total** | **22.0** | **29.9** |

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**About Koenig & Bauer**

Based in Würzburg (Germany), Koenig & Bauer is a global printing press manufacturer. It produces presses and software solutions for the entire printing and finishing process, primarily in the area of packaging. Koenig & Bauer systems can print almost all substrates, including banknotes, cardboard, corrugated cardboard, foil, tin and glass packaging, books, displays, labelling, decors, magazines, advertising and newsprint. With a history spanning more than 200 years, Koenig & Bauer is the world’s oldest printing press manufacturer and today masters almost all printing processes. Around 5,500 people work across the Group. Koenig & Bauer produces at eleven locations in Europe and maintains a worldwide sales and service network. It reported revenue of over €1.3bn in 2023.

For more information, visit [www.koenig-bauer.com](http://www.koenig-bauer.com)